

Long Term Care

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Quality Assurance Fee on Skilled
Nursing Facilities: Rate Year
2006 – 2007

CDHS Quality Assurance Fee on Skilled Nursing Facilities for Rate Year 2006 – 2007

Effective August 1, 2006, for the rate year 2006 – 2007, the California Department of Health Services (CDHS) will begin collecting the 6 percent Quality Assurance Fee (QAF) authorized by the legislature on the total net revenue of all non-exempt Free-Standing Skilled Nursing Facilities and Free-Standing Skilled Adult Subacute Nursing Facilities Level-B (FS/NF-Bs), subject to the fee.

CDHS will collect the following QAF on a monthly basis:

- FS/NF-Bs with total annual resident days equal to or greater than 100,000 – \$6.81 per resident day.
- FS/NF-Bs with total annual resident days less than 100,000 – \$7.79 per resident day.

CDHS will send quarterly notices to each facility and three monthly payment forms. Payments are due on or before the last day of the month following the month for which the fee was imposed.

Questions about the QAF program may be submitted to:

FS/NF-B QAF Coordinator
California Department of Health Services
Long Term Care System Development Unit
1501 Capitol Avenue, Suite 71.4001
MS 4612
P.O. Box 997417
Sacramento, CA 95899-7417

Information about the Long Term Care System Development Unit (LTCSDU) and the QAF program is available on the CDHS Web site (www.dhs.ca.gov/mcs/mcpd/RDB/LTCSDU).

This *Medi-Cal Update* provides information concerning the QAF on each skilled nursing facility for the rate year August 1, 2006 to July 31, 2007. California *Health and Safety Code*, Sections 1324.20 through 1324.30, and *Welfare and Institutions Code*, Section 14105.06, authorize CDHS to collect a QAF from all non-exempt FS/NF-Bs. The purpose of this fee is to enhance federal financial participation in the Medi-Cal program, provide additional reimbursement to, and to support quality improvement efforts in licensed FS/NF-Bs providing services for the Medi-Cal program.

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Multi-Level Retirement
Community QAF
Exemption

**Multi-Level Retirement Community Quality Assurance Fee
Exemption List and Policy for Free-Standing Skilled Nursing
Facilities Level-B**

Introduction

Health and Safety Code, Sections 1324.20 through 1324.30 require the California Department of Health Services (CDHS) to implement a Quality Assurance Fee (QAF) program for Free-Standing Skilled Nursing Facilities Level-B (FS/NF-B) and Free-Standing Skilled Adult Subacute Nursing Facilities Level-B (FSSA/NF-B). The purpose of the program is to provide additional reimbursement for, and to support quality improvement efforts in, licensed skilled nursing facilities. The Centers for Medicare & Medicaid Services (CMS) approved the CDHS request to implement the QAF program. State law authorizes CDHS to use the funds from the fee to support the costs of rate increase in the Medi-Cal program.

This *Medi-Cal Update* includes information about the Multi-Level Retirement Community (MLRC) facilities that are exempt from the QAF program for the rate year 2006 – 2007. It also describes the CDHS process for requesting exemption in future rate years.

Welfare and Institutions Code, Section 14126.027(c), allows CDHS to use articles published in *Medi-Cal Updates* as alternatives to regulations until July 31, 2007, in order to implement the provisions of the statute.

This *Medi-Cal Update* uses the same definition of an MLRC as described in the September 2005 *Medi-Cal Update* in section 100:

“§ 100(f) “Multi-Level Retirement Community” (MLRC) means a provider of a continuum of services, including independent living services, assisted living services and skilled nursing care on a single campus which has not received a certificate of authority or a letter of exemption from the Department of Social Services, *Health and Safety Code* Section 1771.3.”

CDHS is updating sections 140 and 141 to the instructions implementing *Health and Safety Code*, Section 1324.20(b) to clarify the facilities that are exempt for the rate year 2006 – 2007, and future rate years, and also informs the facilities of the CDHS policy requirements for any additional facilities requesting MLRC exemption from the QAF. These two sections follow September 2005 *Medi-Cal Update* Section 131, and include the final update to the exempt facilities list and a description of the process for facilities to request exemption in future rate years.

**§ 140 MLRC FS/NF-Bs Exemption List – Final Update for 2006-2007
Rate Year**

- (a) The MLRC FS/NF-Bs listed below are exempt from the QAF program effective August 1, 2006 through July 31, 2007
- (b) This list will remain in effect for the rate year August 1, 2006 to July 31, 2007, unless facility reports a change in corporate structure or business practice by May 1, 2006. Changes reported will affect the exemption prospectively for the rate year 2007 – 2008.

- (c) The following MLRC FS/NF-Bs are exempt from the QAF program:

Skilled Nursing Facilities	Office of Statewide Health Planning and Development (OSHPD) Number
Alamitos West Convalescent Hospital	206301089
Ararat Nursing Facility	206194558
Artesia Christian Home	206190618
Auburn Ravine Terrace	206312230
Bayside Care Center	206400497
Belmont Convalescent Hospital	206410754
Bethany Home Society of San Joaquin County	206390796
Bethel Lutheran Home	206100684
Bethesda Home	206010760
Bixby Knolls Towers Health Care & Rehab	206190101
California Christian Home	206190122
California Home for the Aged	206100689
Canyon Villas	206374177
Casa De Modesto	206500821
Christian Heritage	206364097
Claremont Manor Care Center	206196220
Devonshire Care Center	206331193
Dorothy & Joseph Goldberg Healthcare	206374064
Earlwood, The	206190253
Eisenberg Village	206190424
Fillmore Convalescent	206560547
Fountain Care Center	206301174
Fredericka Manor Care Center	206370708
Friends House	206492287
Glenwood Gardens	206154109
Grossmont Gardens	206374041
Hancock Park Convalescent Center	206190361
Health Center at Sierra Sunrise Village	206044028
Home for Jewish Parents	206074085
Hope Manor	206101843
Inland Christian Home	206360042
Jeanne Jugan Residence	206190947
Jones Convalescent	206010855
Kingsley Manor Care Center	206190444
Knolls West Convalescent Hospital	206364001
Knott Avenue Care Center	206301280
Las Villas De Carlsbad	206374186

Skilled Nursing Facilities	Office of Statewide Health Planning and Development (OSHPD) Number
Las Villas Del Norte	206371735
Life Care Center of Corona	206330206
Lincoln Glen Skilled Nursing	206431530
Lutheran Health Facility at Alhambra	206190493
Lytton Gardens, Inc.	206431865
Meadowood Health & Rehab Center	206394041
Meadows of Napa Valley, The	206284010
Mercy Retirement and Care Center	206013696
Mesa Verde	206301259
Mission Lodge Sanitarium	206190539
Monte Vista Grove Homes	206190544
Monte Vista Lodge	206370748
Nazareth House of Fresno	206100767
Nazareth House of Los Angeles	206190957
Nazareth House of San Rafael	206211023
New Bethany	206244031
Our Lady of Fatima Villa	206430840
Pilgrim Place Health Services Center	206190617
Pioneer House	206340980
Plymouth Square	206390987
Plymouth Tower	206331300
Rancho Vista	206371677
Redwoods, The	206210916
Remington Club Health Center	206374021
Santa Teresita Manor	206196551
Sierra View Homes	206100799
Simi Valley Care Center	206560536
St. Anne's Home	206380958
St. Claire's Nursing Center	206342225
St. John of God Retirement & Care Center	206190755
St. Paul's Senior Homes & Services	206371598
Stollwood Convalescent Hospital	206571047
Twilight Haven	206100817
Venturan Convalescent Center, The	206560539
Villa Scalabrini Special Care Unit	206194113
Villa Siena	206431833
Vista Del Sol Care Center	206190227
Wine Country Care	206390894
Wish-I-Ah Care Center	206100833

- (d) All MLRCs that are on the exemption list from the 2004-05 and the 2005-06 rate years must comply with the *Health and Safety Code*, Section 1324.20(b), and the September 2005 Medi-Cal Update Section 100, in order to remain on the exemption list. This includes providing independent living services, assisted living services and skilled nursing care on a single campus.
- (e) Any new applicants for the 2006-07 and future years must comply with the *Health and Safety Code*, Section 1324.20(b), and the November 2005 Medi-Cal Update, Sections 140 and 141, and the additional updated requirements below in Sections 140 and 141.
- (f) All MLRCs will remain exempt until they change ownership, at which time they must provide documentation to CDHS that their status has not changed. A change of ownership is defined in 42 Code of Federal Regulations Section 489.18.
- (g) This list was final and effective on June 1, 2006.

MLRC FS/NF-Bs Requests for Exemption from the QAF Program in Future Rate Years

§ 141 CDHS Policy and Requirements

CDHS requires any FS/NF-B requesting exemption from the QAF program as an MLRC facility for the 2006 – 07 and future rate years to comply with the following:

- (a) A facility may request an exemption once each rate year. This request must be submitted to CDHS by May 1 for the upcoming rate year. Any requests filed after the deadline will be accepted as a request for the subsequent rate year.
- (b) Each facility must submit to CDHS by May 1 of each year the following documentation:
 - 1. A copy of a current Residential Care for the Elderly (RCFE) license and Skilled Nursing Facility (SNF) license.
 - 2. Information that proves that both the SNF and RCFE are owned by the same entity (common ownership). The facility owner's name, federal tax identification number and Medi-Cal provider number must be correct and consistent with each other.
 - 3. Any FS/NF-B that has changes to its facility's corporate structure or general business practices must provide CDHS with six or more months of cost reports as operating under the new ownership or business practice.
 - 4. A description of the campus that indicates that the campus provides a continuum of services, including independent living services, assisted living services and skilled nursing care on a single campus.
 - 5. If the addresses of the SNF building and the RCFE building are different, the provider must send in proof that they are on the same campus and the ownership is the same.
 - 6. Each facility must provide its Medi-Cal provider number, federal tax identification number and the Office of Statewide Health Planning and Development number of the current owner.

7. A statement under penalty of perjury that the facility has not received a certificate of authority or a letter of exemption from the Department of Social Services, as specified in *Health and Safety Code* Section 1771.3.
8. Each facility must provide the total number of unlicensed Independent Living (IL) units and the total number of Assisted Living (AL) units.
9. If the facility licenses all of its IL and AL units under the RCFE license, the facility must demonstrate the following:
 - a) The IL area is separate from the AL.
 - b) There is a provision in an agreement between the resident and the facility which specifies when the level of care changes and how a transfer occurs from one facility type (IL, AL or SNF) to a higher or lower level of care.
10. The total number of SNF units must be 40 percent (40%) or less and the IL and AL units must be 60 percent (60%) or more of the total capacity of the campus. For example:
 - a) Total number of IL + AL units = or > 60% of Total Capacity.
 - b) Total Capacity = (IL + AL units) + SNF units.
- (c) From the date of the application for exemption, CDHS will have 30 days to request any additional information.
- (d) CDHS will approve or deny the request within 60 days but no later than August 1 of the rate year.
- (e) For any FS/NF-B that CDHS approves as an exempt MLRC, CDHS will adjust its rates effective August 1 of each rate year.
- (f) The information must be sent to:

California Department of Health Services
Medi-Cal Policy Division/Long Term Care
System Development Unit
MLRC Reporting Policy
MS 4612
1501 Capitol Avenue, Suite, 71.4001
P.O. Box 997417
Sacramento, CA 95899-7417